



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
MONROE COUNTY CLERK**

Calendar Year 1999

**EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS
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EXECUTIVE SUMMARY

Monroe County Clerk Calendar Year 1999

Type of Opinion:

The Sheriff's Statement of Receipts, Disbursements, and Excess Fees received an unqualified (clean) opinion.

Findings:

There were no audit findings to report.

Excess Fees:

The clerk paid \$33,949 of excess fees for calendar year 1999.

Subsequent Events:

There were no significant events to report.

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Edward B. Hatchett, Jr.
Auditor of Public Accounts

To the People of Kentucky
Honorable Paul E. Patton, Governor
John P. McCarty, Secretary
Finance and Administration Cabinet
Mike Haydon, Secretary, Revenue Cabinet
Honorable Russell Young, Monroe County Judge/Executive
Honorable Teresa Sheffield, Monroe County Clerk
Members of the Monroe County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of receipts, disbursements, and excess fees of the County Clerk of Monroe County, Kentucky, for the year ended December 31, 1999. This financial statement is the responsibility of the County Clerk. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for County Fee Officials issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the County Clerk's office is required to prepare the financial statement on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky, which is a comprehensive basis of accounting other than generally accepted accounting principles. This cash basis system does not require the maintenance of a general fixed asset group or general long-term debt group of accounts. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and excess fees of the County Clerk for the year ended December 31, 1999, in conformity with the basis of accounting described above.

To the People of Kentucky
Honorable Paul E. Patton, Governor
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In accordance with Government Auditing Standards, we have also issued a report dated May 22, 2000, on our consideration of the County Clerk's compliance with certain laws and regulations and internal control over financial reporting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
May 22, 2000

MONROE COUNTY
TERESA SHEFFIELD, COUNTY CLERK
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES

Calendar Year 1999

Receipts

State Fees For Services	\$	6,957
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Fiscal Court		6,201
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Licenses and Taxes:

Motor Vehicle-

Licenses and Transfers	\$	266,248
Child Victim		44
Usage Tax		585,448
Tangible Personal Property Tax		564,045
Notary Fees		1,116
Lien Release Fees		2,051
Miscellaneous Income		1,417

Licenses-

Fish and Game		4,620
Marriage		3,480
Occupational		175
Deed Transfer Tax		18,539
Delinquent Tax		33,735

1,480,918

Fees Collected for Services:

Recordings-

Bail Bonds	\$	609
Deeds, Easements, and Contracts		8,261
Real Estate Mortgages		12,995
Chattel Mortgages and Financing Statements		33,146
Powers of Attorney		851
All Other Recordings		3,931
Fixture Filing		274
Leases		54
Liens and Lis Pendens		1,808
Releases		1,040
Wills and Estate Settlements		448

Charges for Other Services-

Copywork		1,606
Postage		19
Refunds		465

65,507

MONROE COUNTY
 TERESA SHEFFIELD, COUNTY CLERK
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES
 Calendar Year 1999
 (Continued)

Receipts (Continued)

Other:

Miscellaneous		\$	277
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Interest Earned			<u>2,078</u>
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Gross Receipts		\$	1,561,938
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Disbursements

Payments to State:

Motor Vehicle-

Licenses and Transfers	\$	206,702	
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Usage Tax		567,933	
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Tangible Personal Property Tax		192,508	
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Licenses-

Fish and Game		4,654	
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Delinquent Tax		4,767	
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Legal Process Tax		<u>10,407</u>	\$ 986,971
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Payments to Fiscal Court:

Tangible Personal Property Tax	\$	39,082	
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Delinquent Tax		3,284	
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Deed Transfer Tax		17,871	
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Occupational Licenses		<u>165</u>	60,402
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Payments to Other Districts:

Tangible Personal Property Tax	\$	309,688	
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Delinquent Tax		<u>16,438</u>	326,126
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Payments to Sheriff			1,204
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Payments to County Attorney			5,154
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TERESA SHEFFIELD, COUNTY CLERK
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES
 Calendar Year 1999
 (Continued)

Disbursements (Continued)

Operating Disbursements:

Personnel Services-

Deputies Salaries \$ 80,736

Contracted Services-

Making Tax Bills 3,710

Materials and Supplies-

Office Supplies 20

Other Charges-

Bank Service Charges 240

Clerk Insurance and Bonds 30

Dues and Memberships 435

Postage 2,463

Refunds 1,137

Travel Expense 1,421

Miscellaneous 13 \$ 90,205

Total Disbursements \$ 1,470,062

Net Receipts \$ 91,876

Less: Statutory Maximum 53,639

Excess Fees \$ 38,237

Less: Expense Allowance \$ 3,600

Training Allowance 688 4,288

Excess Fees Due County for Calendar Year 1999 \$ 33,949

Payments to County Treasurer:

March 16, 2000 \$ 33,702

March 28, 2000 247 33,949

Balance Due at Completion of Audit \$ 0

The accompanying notes are an integral part of the financial statement.

MONROE COUNTY
NOTES TO FINANCIAL STATEMENT

December 31, 1999

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

A fee official uses a fund to report on the results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fee official uses a fund for fees to account for activities for which the government desires periodic determination of the excess of receipts over disbursements to facilitate management control, accountability, and compliance with laws.

B. Basis of Accounting

The financial statement has been prepared on a cash basis of accounting pursuant to KRS 68.210 as recommended by the State Local Finance Officer. Revenues and related assets are generally recognized when received rather than when earned. Certain expenses are recognized when paid rather than when a liability is incurred, including capital asset purchases. Certain other expenses are recognized when a revenue and the related asset can be associated with a corresponding liability due another governmental entity.

The measurement focus of a fee official is upon excess fees. Remittance of excess fees is due to the County Treasurer in the subsequent year.

C. Cash and Investments

At the direction of the fiscal court, KRS 66.480 authorizes the County Clerk's office to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Deposits

The County Clerk maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 64.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the County Clerk and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of December 31, 1999, the County Clerk's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the County Clerk's agent in the County Clerk's name, or provided a surety bond which named the County Clerk as beneficiary/obligee on the bond.

MONROE COUNTY
NOTES TO FINANCIAL STATEMENT
December 31, 1999
(Continued)

Note 3. Grant

The County Clerk received a local records microfilming grant from the Kentucky Department for Libraries and Archives in the amount of \$16,250. Interest earned on this account was \$120. No funds were expended during calendar year 1999. As of December 31, 1999, the unexpended balance of the Library and Archives Grant was \$16,370.

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REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Honorable Russell Young, Monroe County Judge/Executive
Honorable Teresa Sheffield, Monroe County Clerk
Members of the Monroe County Fiscal Court

Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of The Financial
Statement Performed In Accordance With Government Auditing Standards

We have audited the Monroe County Clerk's financial statement as of December 31, 1999, and have issued our report thereon dated May 22, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Monroe County Clerk's financial statement as of December 31, 1999, is free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Monroe County Clerk's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Honorable Russell Young, Monroe County Judge/Executive
Honorable Teresa Sheffield, Monroe County Clerk
Members of the Monroe County Fiscal Court
Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of The Financial
Statement Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified party. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
May 22, 2000

